

SOAH DOCKET NO. 582-07-2673  
TCEQ DOCKET NO. 2007-0204-WDW

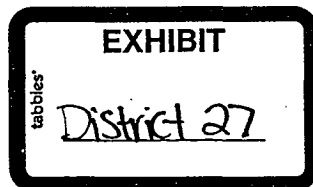
APPLICATIONS OF TEXCOM GULF	§	BEFORE THE STATE OFFICE
DISPOSAL, L.L.C. FOR TEXAS	§	
COMMISSION ON ENVIRONMENTAL	§	
QUALITY COMMISSION	§	OF
UNDERGROUND INJECTION	§	
CONTROL PERMIT NOS. WDW410,	§	
WDW411, WDW412, AND WDW413	§	ADMINISTRATIVE HEARINGS

SOAH DOCKET NO. 582-07-2674  
TCEQ DOCKET NO. 2007-0362-IHW

APPLICATION OF TEXCOM GULF	§	BEFORE THE STATE OFFICE
DISPOSAL, L.L.C. FOR TEXAS	§	
COMMISSION ON ENVIRONMENTAL	§	OF
QUALITY COMMISSION INDUSTRIAL	§	
SOLID WASTE PERMIT NO. 87758	§	ADMINISTRATIVE HEARINGS

DIRECT EXAMINATION OF RICHARD TRAMM  
BY LONE STAR GROUNDWATER CONSERVATION DISTRICT

SUBMITTED ON FEBRUARY 26, 2010



## TABLE OF CONTENTS

II. WATER SUPPLY CHALLENGES.....	2
III. PUBLIC INTEREST IN PROPOSING DENIAL .....	4
IV. CONCLUSION.....	6

**I. INTRODUCTION AND BACKGROUND**

**Q. MR. TRAMM, WOULD MIND INTRODUCING YOURSELF TO THE JUDGES?**

A. Not at all. My name is Richard J. Tramm. I have been a resident of Montgomery County since 1973, and my wife, Darcy, and I reside in and have chosen to raise both of our two children here in Montgomery County. I am the General Manger of the Porter Special Utility District—or Porter SUD—a State political subdivision that is responsible for providing drinking water to over 4,100 connections in Montgomery County. In addition to my role as the Porter SUD General Manager, I am also a member of the Lone Star Groundwater Conservation District Board of Directors. I currently serve as the President of the Lone Star Groundwater Conservation District Board of Directors.

**Q. IN WHAT CAPACITY ARE YOU APPEARING TODAY, MR. TRAMM?**

A. I am here to provide testimony as the President of the Lone Star Groundwater Conservation District Board of Directors. For purpose of brevity, I will refer to the Lone Star Groundwater Conservation District as the “District” and its Board of Directors as the “Board.”

**Q. AND IN WHAT REPRESENTATIVE CAPACITY DO YOU SERVE ON THE DISTRICT BOARD?**

A. I represent Montgomery County at-large.

**Q. HOW LONG HAVE YOU SERVED AS A MEMBER OF THE DISTRICT BOARD?**

A. I have served as a member since the District was created in 2001.

**Q. HOW LONG HAVE YOU SERVED AS THE DISTRICT BOARD PRESIDENT?**

A. This is actually my second distinct term as Board president. I served as the Board’s initial president from 2001 to 2005. I have been president for this term since February 2009. I have also previously served as the Board Secretary and the Board Vice-President.

1 Q. COULD YOU DESCRIBE FOR THE JUDGES YOUR PROFESSIONAL  
2 BACKGROUND, MR. TRAMM?

3 A. Following a six-year career in the United States Marine Corps, I began working for A-1  
4 Utility and Construction Services, Inc. in 1991. I ultimately became a certified water and  
5 wastewater operator for A-1, and in 1995, I became their Operations Manager and was  
6 responsible for overseeing the maintenance and operation for their water and wastewater  
7 systems across Harris, Walker and Montgomery Counties. In 2007, I was hired as the  
8 General Manager for Porter SUD. I am currently hold a Class A wastewater system  
9 operator certification, and a Class B groundwater system operator certification issued by  
10 the Texas Commission on Environmental Quality.

11 Q. AND WOULD YOU MIND DESCRIBING YOUR ACADEMIC BACKGROUND,  
12 AS WELL?

13 A. I hold a Bachelor of Science degree in Economics from the University of Houston. I also  
14 have accumulated over 700 hours of operator training towards operating and maintaining  
15 wastewater and water systems.

16 **II. WATER SUPPLY CHALLENGES**

17 Q. IF YOU DON'T MIND, MR. TRAMM, WOULD YOU PLEASE REMIND THE  
18 JUDGES OF THE PURPOSE AND RESPONSIBILITIES OF THE DISTRICT?

19 A. The District was created by the Texas Legislature in 2001 to provide for the conservation,  
20 preservation, protection, and recharge of groundwater within the District, and to prevent  
21 waste of those groundwater resources. Through the powers delegated to us by the  
22 Legislature in our enabling act as well as in Chapter 36 of the Texas Water Code, the  
23 District has developed rules, a management plan, and the District Regulatory Plan, and it  
24 also administers a regulatory program, all designed to accomplish these purposes. In  
25 short, the District is the governmental entity tasked with the management and regulation  
26 of the groundwater resources underlying Montgomery County.

27 Q. WHAT IS THE DISTRICT REGULATORY PLAN?

1 A. In 2006, the District formally adopted the first phase of what has become a multi-phased  
2 regulatory plan designed to require a comprehensive reduction in the total annual volume  
3 of groundwater produced from within Montgomery County. The goal of the District's  
4 Regulatory Plan (DRP) is to reduce groundwater production in the county to a level that  
5 does not exceed, on average, the sustainable yield of the Gulf Coast Aquifer—which is  
6 presently considered to be 64,000 acre-feet. In February 2008, the District adopted Phase  
7 II(A) of the DRP to ensure that water producers and users in the District were making  
8 progress toward compliance with a 2016 requirement to reduce certain large volume  
9 production within the district by at least 30 percent.

10 **Q. WHY IS THE DISTRICT UNDERTAKING SUCH SIGNIFICANT EFFORTS TO**  
11 **LIMIT GROUNDWATER PRODUCTION FROM WITHIN MONTGOMERY**  
12 **COUNTY?**

13 A. Authorized groundwater production in the District currently exceeds the recognized  
14 sustainable yield of the Gulf Coast Aquifer in the District by approximately 31,000 acre-  
15 feet each year. Because Montgomery County is one of the fastest growing counties in the  
16 United States, the disparity between the Gulf Coast Aquifer's sustainable yield and the  
17 total volume of groundwater that is produced from the aquifer will continue to grow  
18 without significant efforts to reduce the county's reliance on groundwater.

19 **Q. HOW WILL EXISTING AND FUTURE WATER DEMANDS BE MET IF THE**  
20 **DISTRICT IS FORCED TO IMPOSE A PRODUCTION LIMIT ON THE GULF**  
21 **COAST AQUIFER?**

22 A. Large-volume groundwater users will be required to meet their additional demand by  
23 securing alternative water supplies. Obviously, surface water will likely be a significant  
24 source of alternative water supply for Montgomery County water users. However,  
25 several within the District are currently studying the feasibility of other sources such as  
26 water reuse, brackish water demineralization and aggressive water conservation  
27 techniques.

28 **Q. WHY DO YOU BELIEVE THAT IT IS IMPORTANT FOR THE JUDGES TO**

1       **RECOGNIZE AND CONSIDER THIS SITUATION THAT THE DISTRICT, AND**  
2       **THE WATER USERS OF MONTGOMERY COUNTY, ARE FACING NOW AND**  
3       **WILL BE FACING IN THE FUTURE?**

4       A.     The proposal that the Judges will be making with respect to the TexCom UIC application  
5       will have ramifications for thousands of Montgomery County water users. The District  
6       believes that such a decision cannot appropriately be made in a vacuum. It is important  
7       for the Judges to recognize that there is little room for error in Montgomery County with  
8       respect to water supply sources. Groundwater availability is already at a critical  
9       premium, and very tough decisions are being made within the county as we speak  
10      regarding multi-billion dollar projects designed to bridge the gap between our limited  
11      water supply and our growing water demand. The value of the Gulf Coast Aquifer to  
12      Montgomery County water users cannot be overstated. Given what we have seen so far  
13      from TexCom, neither the District nor the water users it serves are comfortable gambling  
14      that TexCom will act responsibly and in a manner that serves the best interests of  
15      Montgomery County.

16                   **III. PUBLIC INTEREST IN PROPOSING DENIAL**

17      **Q.     MR. TRAMM, THE DISTRICT CONTINUES TO OPPOSE ISSUANCE OF**  
18      **TEXCOM'S REQUESTED UIC PERMITS, DOES IT NOT?**

19      A.     Yes, that is correct. The District continues to oppose issuance of TexCom's requested  
20      UIC permits.

21      **Q.     CAN YOU EXPLAIN TO THE JUDGES WHY THE DISTRICT MAINTAINS ITS**  
22      **OPPOSITION?**

23      A.     I can. The District has two general grounds for continuing to resist TexCom's efforts.  
24      As a technical matter, based on the testimony of our own consultant, the District does not  
25      believe that TexCom has yet demonstrated its UIC application complies with all of the  
26      technical requirements imposed by the TCEQ, and particularly with the December 12,  
27      2008 Interim Order of the TCEQ Commissioners.

1 Second, but certainly not least, the District believes that TexCom has demonstrated a  
2 level of disregard and arrogance throughout its pursuit of its coveted permits, and, on an  
3 even more fundamental level, in its approach to the people of Montgomery County.  
4 Because TexCom appears incapable of meeting the applicable technical requirements,  
5 even after having been given a second chance by the TCEQ Commissioners to do so, and  
6 because the District does not believe the public interest is best served by entrusting  
7 TexCom with the responsibility it would be given if it received these permits, the District  
8 continues to oppose the applications that are at the center of this contested case.

9 **Q. CAN YOU BE MORE SPECIFIC REGARDING THE DISTRICT'S CONCERNS?**

10 A. Simply stated, TexCom has developed a track record during this application process of  
11 not being candid about their own evidence, of being evasive, and of just being wrong.  
12 TexCom's blundering of the injection reservoir permeability, as an example, is a perfect  
13 illustration of why the District has these concerns. During the first hearing in this  
14 process, we heard time and again from TexCom how "ultra conservative" and "super  
15 conservative" its 500 millidarcy assumption was regarding the permeability of the Lower  
16 Cockfield. They wanted us to believe that the average permeability of that formation was  
17 actually somewhere between 700 and 800 millidarcies, and its representatives scoffed  
18 when we attempted to highlight just how wrong the evidence showed they truly were.  
19 But not only did information in TexCom's own application materials demonstrate at the  
20 time that its permeability calculations were ridiculously high, now, despite all of its  
21 team's bravado, we see from its own fall-off test how egregiously wrong TexCom truly  
22 was.

23 But it didn't just get the permeability wrong. Now, in this second hearing, we hear that  
24 TexCom made major mistakes in how it calculated the results of its own fall-off test—  
25 mistakes that initially hid the fact that it misjudged the Lower Cockfield permeability by  
26 a factor of 10 .

27 So TexCom was wrong about the permeability, it made significant mistakes in how it  
28 analyzed its own fall-off report, and it failed to test the fault to the south of its proposed

1 injection well. After all that, they want the Judges to believe that they have complied  
2 with their proposed special condition—and now we hear that it did not even comply with  
3 its Class V permit. This pattern should not be taken lightly. From the District's  
4 perspective, it certainly undermines our confidence that this applicant can be trusted with  
5 this responsibility.

6 **Q. WHY DOES THE DISTRICT BELIEVE THESE ISSUES ARE IMPORTANT**  
7 **FOR THE JUDGES TO CONSIDER IN THIS CONTEXT?**

8 A. They reflect not only on TexCom's technical competency, but on the ability of the people  
9 of Montgomery County to trust that TexCom will consistently employ measures to avoid  
10 similar, or even more substantial, mistakes once the spotlight of this hearing process  
11 fades away.

12 This point is particularly important. TexCom's mistakes only came to light because of  
13 the work of the protesting parties. If the TCEQ issues the permits that TexCom is  
14 requesting, the protesting parties will no longer be in a position to correct TexCom's  
15 math, or expose its exaggerations or errors, or otherwise continue providing it with  
16 technical assistance. TexCom has had years to demonstrate not only that its proposed  
17 injection operation is safe, but that it is competent and capable of responsible  
18 management and operation of the proposed facilities. TexCom has failed on both  
19 measures.

20 If TexCom can make these kinds of mistakes when two Judges are watching, the District  
21 can only imagine what it will do after it gets the permits it has asked for. The public,  
22 including the people of Montgomery County, do not deserve this risk.

23 **IV. CONCLUSION**

24 **Q. MR. TRAMM, DOES THE DISTRICT BELIEVE THE PUBLIC INTEREST IS**  
25 **SERVED BY ISSUING TEXCOM ITS REQUESTED PERMITS?**

26 A. Looking back across this application process, TexCom made several bold



1 pronouncements. Some of these statements, like the testimony by its CEO that he would  
2 drink some of the wastewater delivered to his proposed injection wells, simply make  
3 TexCom look silly and opportunistic. In many other instances, however, TexCom's big  
4 talk proved in the end to expose its technical shortcomings. The mistakes it has made in  
5 this application process have raised significant questions regarding TexCom's  
6 trustworthiness, its competency, and its commitment to responsibility.

7 The District believes that the people of Montgomery County deserve better than this.  
8 The District feels strongly that it is not in the public's best interest to issue TexCom the  
9 requested permits.

10 **Q. THESE ARE ALL OF THE QUESTIONS I HAVE FOR YOU AT THIS TIME**  
11 **MR. TRAMM. DOES THIS CONCLUDE YOUR TESTIMONY?**

12 **A.** It does. However, in the event that additional information or evidence is brought to my  
13 attention in this case, I would like to reserve the ability to supplement my testimony as  
14 appropriate and necessary.

15 **THANK YOU, MR. TRAMM. THE DISTRICT HAS NO FURTHER QUESTIONS OF**  
16 **THIS WITNESS AT THIS TIME.**